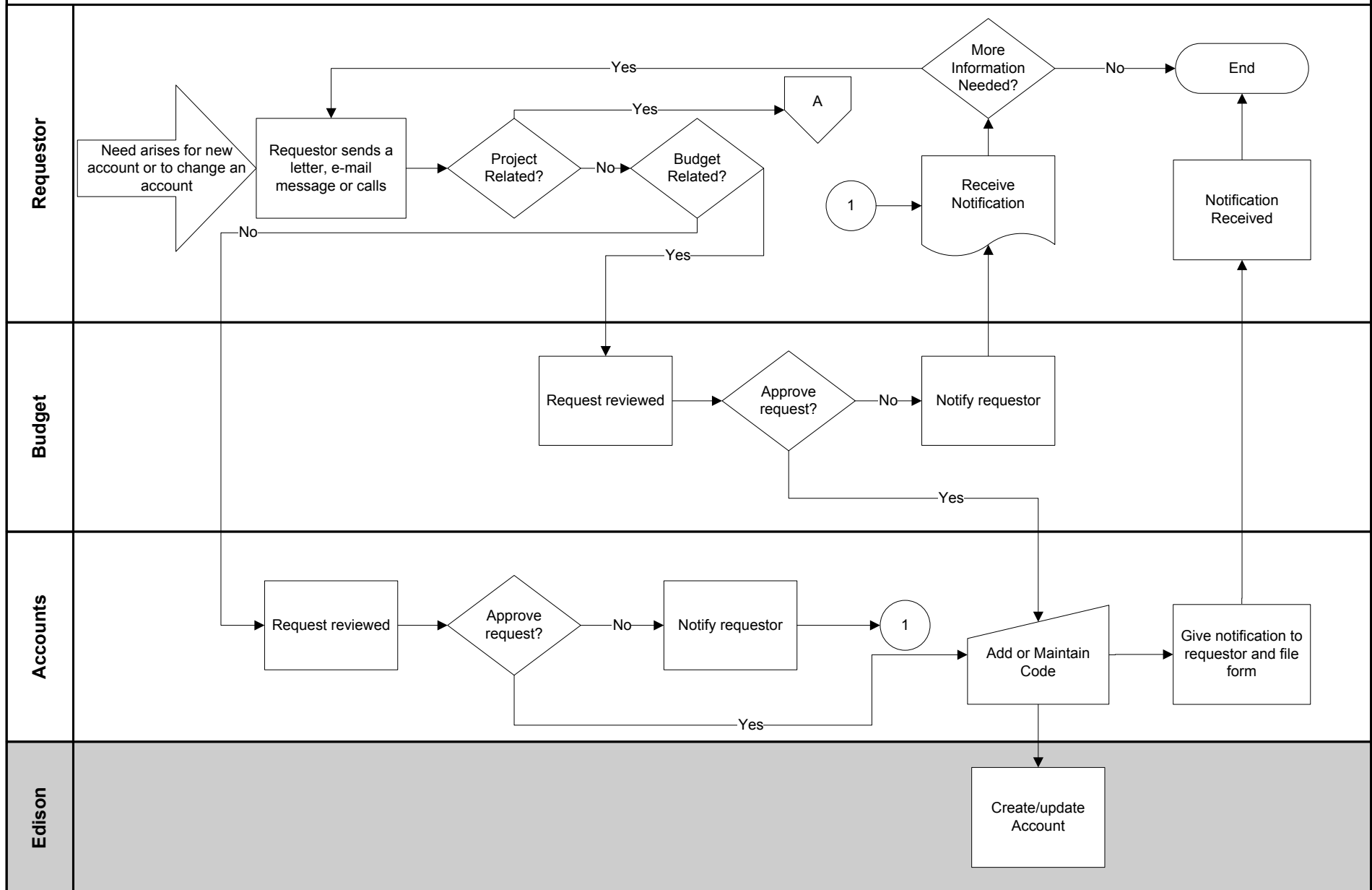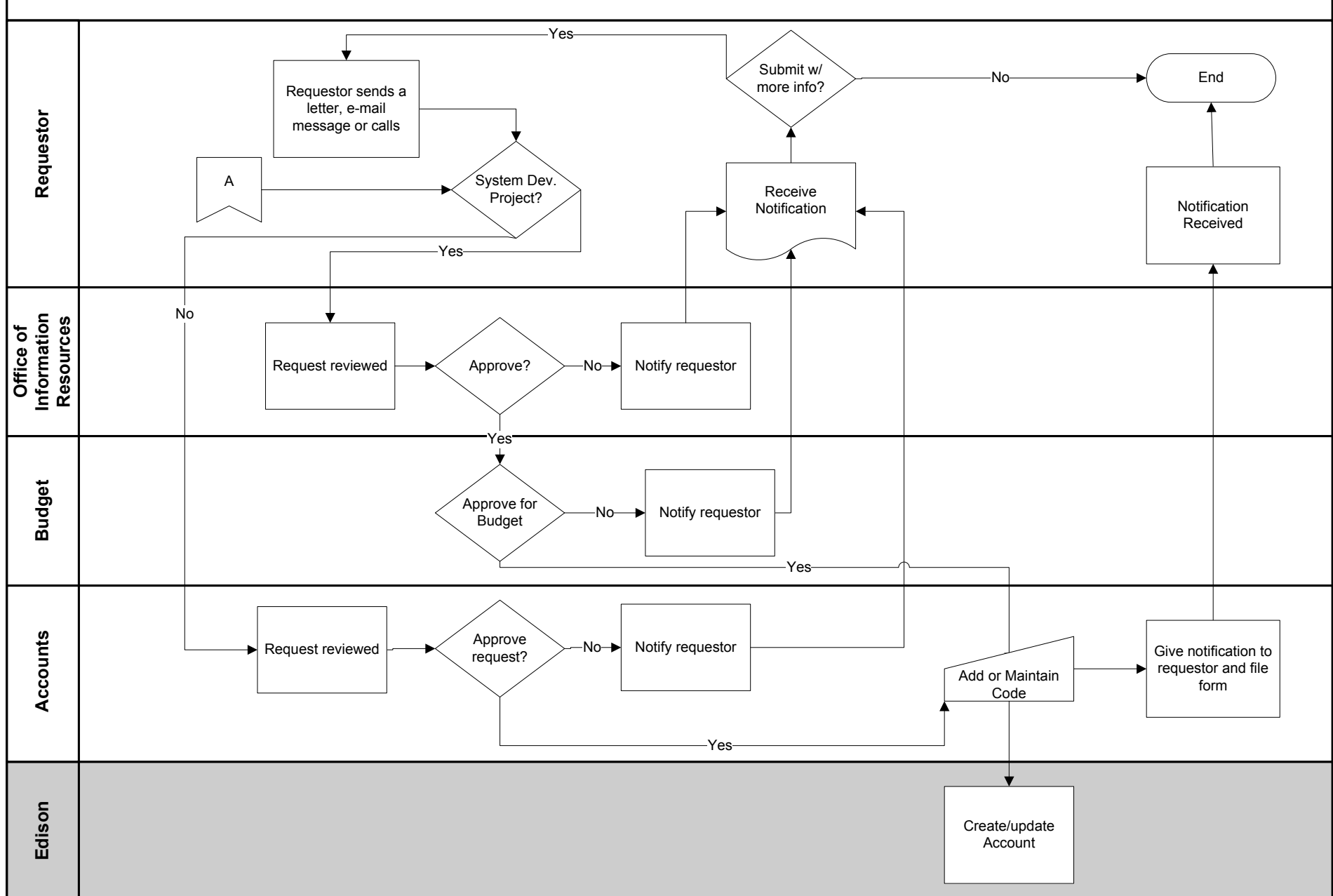| **Process:**	General Ledger	**File:**	To Be GL-01 Chart of Accounts Maintenance
Sub-Process:	GL-01 Chart of Accounts Maintenance (Fund, Appropriation, and General Ledger)	**Date:**	10/21/05
Prepared by:	Project Edison – State of Tennessee	**Page:**	1/2

Process: General Ledger
Sub-Process: GL-01 Chart of Accounts Maintenance (Project)
Prepared by: Project Edison – State of Tennessee

File: To Be GL-01 Chart of Accounts Maintenance
Date: 10/21/05
Page: 2/2

Process Name: General Ledger	Process Identifier: GL
Sub-Process Name: Chart of Accounts Maintenance	Sub-Process Identifier: GL-01
Sub-Process Purpose and Objectives: To appropriately and accurately maintain the chart of account elements.	

Sub-Process Description: Responsibility for the chart of account maintenance is divided between the Division of Accounts (Accounts) and the agencies. The agencies are responsible for agency objects such as grants, cost centers, organization structure and program structure codes. Division of Accounts maintains fund, general ledger, appropriation, allotment and project codes. The need for a new code may be driven by the Legislature, an external entity such as GASB, or a reporting requirement. Once the need for a new code is identified, it is requested from Accounts by agency staff via e-mail, letter or phone.

The process for maintaining fund, general ledger, object, appropriation, and allotment codes are the same. If the request is budget related then it is routed to the Division of Budget (Budget) for review and approval. If Budget approves the request, it is then routed to Accounts for data entry. Division of Accounts receives and reviews all non-budget related requests. All requests that are approved by either Budget or Accounts are entered by Accounts. All rejected requests are routed back to the requestor.

The project maintenance process is similar to the fund, general ledger, object, appropriation, and allotment processes. If the project is system development related, both Division of Information Resources (OIR) and Budget must approve it before Accounts will add it to the system. If the project is not budget related, then Accounts will review the request and add the project. If OIR, Budget, or Accounts rejects the request, then the requestor is notified.

Sub-Process Trigger(s):	Key Sub-Process Participants:
• Need for a new chart of account element.	• Requestor • Division of Accounts • Division of Budget • Office of Information Resources

Inputs:			
Input	**Format**	**Volume/Time**	**Suppliers**
Projects Request	e-mail/letter/phone call	300 per year	Agencies
Other requests mostly subsidiaries	e-mail/letter/phone call	400 per year	Agencies

Outputs:			
Output	**Format**	**Volume/Time**	**Recipients**
Project notification to agency	e-mail/letter/phone call	300 per year	Agencies/Legislature
Subsidiary notification to agency	e-mail/letter/phone call	400 per year	Agencies/Legislature

Performance Measures Tracked: :		
Measure	**Current Value**	**Target Value**
Action taken upon the request within 2 days	N/A	N/A

Law, Policy, or Statute Site That Govern Sub-Process:	
Law, Policy, or Statute	**Change Required (Yes/No)?**
TCA 4-3-1007	No

Key Assumptions:
- Current approval steps remain the same
- Chart of Accounts changes will be sent to an email account which will be maintained by Accounts.

Improvements:
- Notification by email of the approval or rejection is generated automatically.

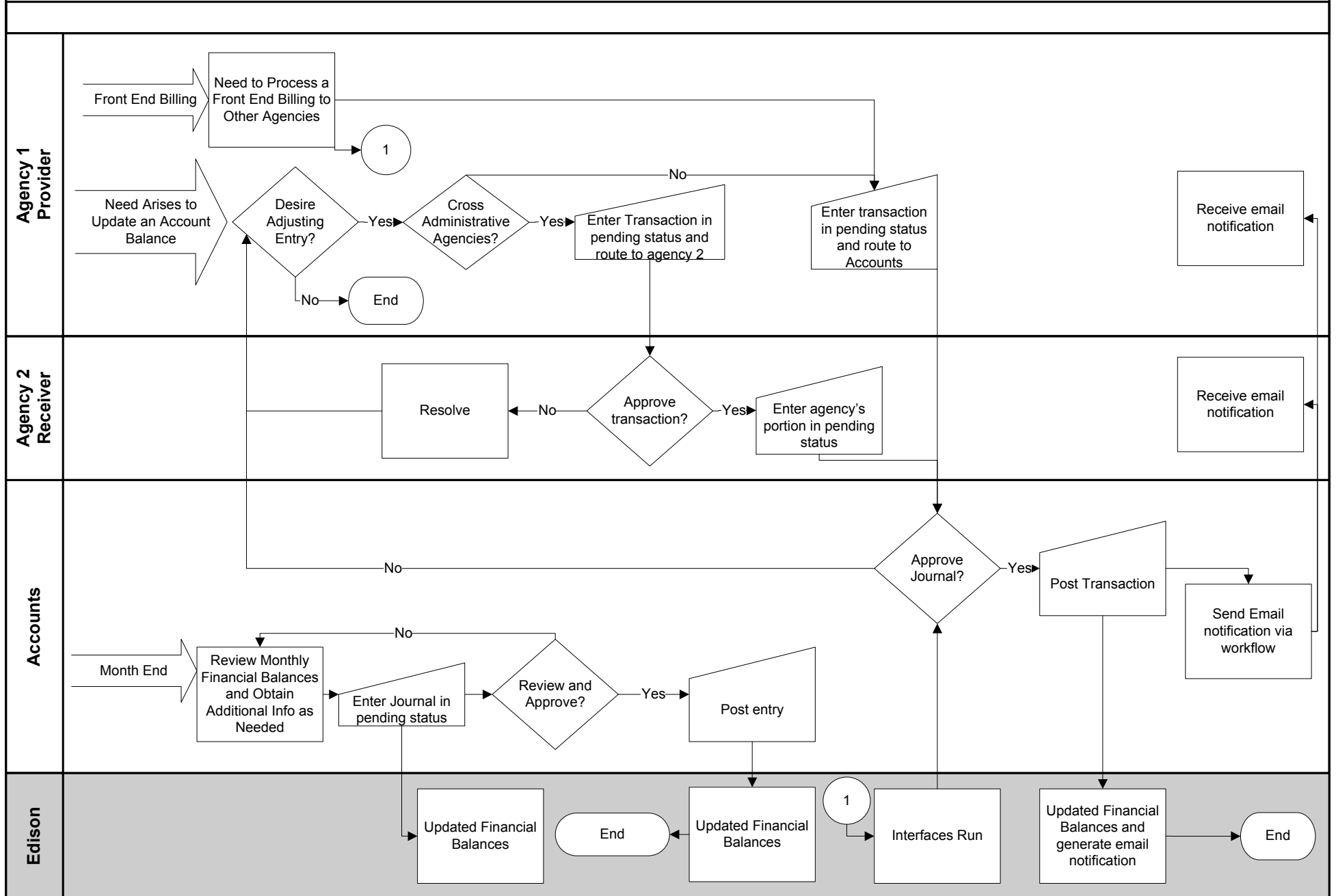| Change Management Concerns:	Communication Actions:
• Notification by email	• Include notification process description on the initial request form

Eliminated Non-Core Systems:

Agency 1 Provider

- Front End Billing → Need to Process a Front End Billing to Other Agencies → 1
- Need Arises to Update an Account Balance → Desire Adjusting Entry?
  - No → End
  - Yes → Cross Administrative Agencies?
    - Yes → Enter Transaction in pending status and route to agency 2
    - No → Enter transaction in pending status and route to Accounts
- Receive email notification

Agency 2 Receiver

- Approve transaction?
  - No → Resolve
  - Yes → Enter agency's portion in pending status
- Receive email notification

Accounts

- Month End → Review Monthly Financial Balances and Obtain Additional Info as Needed → Enter Journal in pending status → Review and Approve?
  - No (loops back to Review Monthly Financial Balances)
  - Yes → Post entry
- Approve Journal?
  - No (routes back)
  - Yes → Post Transaction → Send Email notification via workflow

Edison

- Updated Financial Balances
- End
- Updated Financial Balances
- 1 → Interfaces Run
- Updated Financial Balances and generate email notification → End

Process Name: General Ledger	**Process Identifier:** GL
Sub-Process Name: Journal Voucher Entry	**Sub-Process Identifier:** GL-02

Sub-Process Purpose and Objectives: To have correct financial balances by posting adjusting entries and recording interagency transactions.

Sub-Process Description: A journal entry is a corrective entry entered by the agencies in a pending status. Division of Accounts will review and post agency entries as appropriate. Accounts will enter and post journal entries as needed. Notifications of the status of agency journal entries once posted or denied will be automatically generated.

Examples of transactions the Division of Accounts requires to be done on a journal entry are changing of a general ledger or a department/division code change.

There are three types of journal voucher transactions described in this process: (1) corrections within an agency; (2) corrections between two agencies, which require both agencies to approve and complete their portion of the entry in pending status; and (3) agreed upon adjustments that the Division of Accounts enters. If the pending transaction is approved by Accounts then they post it in Edison. For the third type of entry, the agreed upon adjustment, the agencies agree to the accounting codes that the providing agency will adjust the accumulated charges and the receiving agency's charges will be recorded. At the end of the month, Accounts reviews the financial balances of the providing agency and creates a journal voucher. Once the voucher is reviewed and approved, Accounts will post the entry into Edison to record the financial impact of the business activity. This third type of entry, the agreed upon adjustment, may be uploaded from a file which will post in a pending status. Division of Accounts will review the pending adjustments and post approved entries.

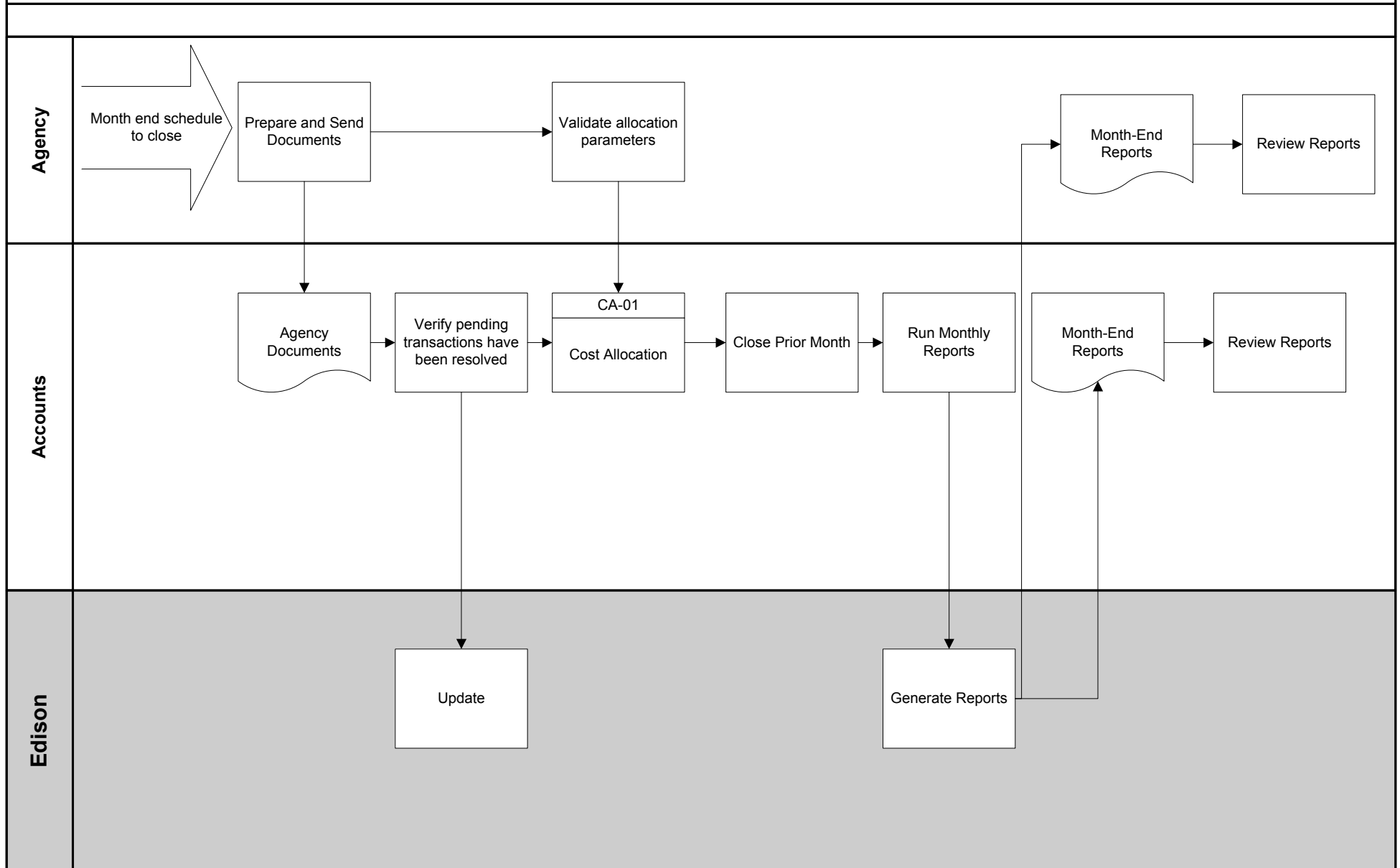| **Sub-Process Trigger(s):**	**Key Sub-Process Participants:**
• Agency or Division of Accounts finds an incorrect posting • Agencies conduct business with one another • Special month-end or year-end transactions	• Agency • Division of Accounts

Inputs:			
Input	**Format**	**Volume/Time**	**Suppliers**
Corrections within an agency where authorized by Accounts	Paper/Hard Copy	.1 million sequences/year	Agencies
Journal Entries which multiple agencies complete	Paper/Hard Copy	61,000 sequences/year	Agencies
Agreed upon adjustments between agencies	Paper/Hard Copy	3,000/year	Agencies
Outputs:			
Output	**Format**	**Volume/Time**	**Recipients**
Journal Entry notification to agency	email	3,000/year	Agencies
Performance Measures Tracked: :			
Measure		**Current Value**	**Target Value**
Try to process vouchers within three days of receipt		Two days	Three days

Law, Policy, or Statute Site That Govern Sub-Process:	
Law, Policy, or Statute	**Change Required (Yes/No)?**
TCA 4-3-1007	No

Key Assumptions:
• Current approval steps remain the same

Improvements:
• Notification by email of the approval or rejected is generated automatically.

Change Management Concerns:	**Communication Actions:**
• Notification by email	• Include notification process description on the initial request form

Eliminated Non-Core Systems:
• Agency stand alone systems

Process: General Ledger	**File:** To Be GL-03 Month End Close
Sub-Process: GL-03 Month End Close	**Date:** 10/21/05
Prepared by: Project Edison – State of Tennesse	**Page:** 1/1

Agency

Month end schedule to close → Prepare and Send Documents → Validate allocation parameters

Month-End Reports → Review Reports

Accounts

Agency Documents → Verify pending transactions have been resolved → CA-01 / Cost Allocation → Close Prior Month → Run Monthly Reports → Month-End Reports → Review Reports

Edison

Update

Generate Reports

Process Name: General Ledger		Process Identifier: GL	
Sub-Process Name: Month End Close		Sub-Process Identifier: GL-03	
Sub-Process Purpose and Objectives: To close the period and prevent financial transaction from posting into the prior period.			
Sub-Process Description: Agencies prepare and send all accounting documents (primarily invoices and journal vouchers) to Accounts for review prior to the announced month end close. Division of Accounts approves the documents and runs the cost allocation process. After the cost allocation process is completed, Accounts runs the monthly reports and analyzes the results. In the event transactions reject in the cost allocation run, the effective date of the transactions is changed and they are processed in the new month.			
Sub-Process Trigger(s): • Month End		**Key Sub-Process Participants:** • Division of Accounts • Agencies	
Inputs:			
Input	**Format**	**Volume/Time**	**Suppliers**
Agency documents as needed			Agencies
Outputs:			
Output	**Format**	**Volume/Time**	**Recipients**
Closed monthly accounting period.			Agencies
Performance Measures Tracked:			
Measure		**Current Value**	**Target Value**
Month end close on scheduled due date.		N/A	N/A

Law, Policy, or Statute Site That Govern Sub-Process:	
Law, Policy, or Statute	**Change Required (Yes/No)?**
None	

Key Assumptions:
- Timing of Month End Close incorporates Agency timelines for federal reporting.

Improvements:
-

Change Management Concerns:	**Communication Actions:**
•	•

Eliminated Non-Core Systems:
- Stand alone agency systems such as Labor and Workforce's accounting system.

Process:	General Ledger	File:	To Be GL-04 Year End Close
Sub-Process:	GL-04 Year End Close	Date:	10/21/05
Prepared by:	Project Edison – State of Tennesse	Page:	1/1

Prior to June 30

Agency

- Year-End Close Schedule
- GL-04
  - Month-End Close
  - Analyze Accruals and make entries as needed
  - Make accrual adjustments in pending status
- Year-End Reports

Accounts

- Approaching End of Fiscal Year
- Publish Year-End Close Schedule
- Analyze and Adjust Balances and make entries as needed
- Accruals & Other Activities
- Approve agency adjustments
- Year-End Reports
- Run Final Reports
- Run Year End Close
- Verify Balances in new year
- End

Budget

- Make Entries as Needed
- Budget approves close of year

Edison

- Updated Chart of Accounts
- Updated Financial
- Generate Final Reports
- Update

Process Name: General Ledger	**Process Identifier:** GL
Sub-Process Name: Year End Close	**Sub-Process Identifier:** GL-04

| **Sub-Process Purpose and Objectives:** Perform year end entries, close nominal accounts to fund balance, move forward real account balances, and close the annual accounting period. ||

| **Sub-Process Description:** As the end of the fiscal year approaches, the Division of Accounts (Accounts) publishes a year end close schedule for the agencies. Division of Accounts also rolls the chart of account elements to the future year. The agencies update the future year chart of accounts and perform month end activities. The agencies' year-end activities consist of performing accruals and analyzing the system for multi-funded encumbrances and deferred revenues. The agency may also choose to cancel old year encumbrances.

Accounts also records accrual entries. The agencies, Accounts, and Budget make entries as needed based on the information generated during year-end close process. Adjustments will be made until all balances comply with the Appropriation Act. Adjustments will be required if an agency has overspent their budget or failed to collect enough revenue to fund their level of expenditures, if the code is not 100% state funded.

This cycle continues until Budget approves the financial balances. After budget approves the financial balances, Accounts runs the year-end process and final reports. The year-end close process closes nominal accounts to fund balance, and generates real account balances to the next fiscal year. ||

Sub-Process Trigger(s):	**Key Sub-Process Participants:**
• End of year	• Agency
	• Division of Accounts
	• Budget

Inputs:

Input	Format	Volume/Time	Suppliers
			Agencies
			Agencies

Outputs:

Process Name: General Ledger		Process Identifier: GL	
Sub-Process Name: Year End Close		**Sub-Process Identifier:** GL-04	
Output	**Format**	**Volume/Time**	**Recipients**
Reports	Electronic	35/Annual	Accounts/Agencies
Performance Measures Tracked:			
Measure		**Current Value**	**Target Value**
Close the prior year by end of October		60 days	60 days
Law, Policy, or Statute Site That Govern Sub-Process:			

Law, Policy, or Statute	**Change Required (Yes/No)?**
TCA 4-3-1007	No

Key Assumptions:
- Current approval steps remain the same

Improvements:
- Workflow

Change Management Concerns:	**Communication Actions:**
•	•

Eliminated Non-Core Systems:
-